

# **EXHIBIT J**



# *2021 Real Rate Report<sup>®</sup>*

The Industry's  
Leading Analysis  
of Law Firm Rates,  
Trends, and Practices



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When you have to be right



ELM Solutions

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## A Letter to Our Readers

**Welcome to the Wolters Kluwer's ELM Solutions Real Rate Report®, the industry's leading data-driven benchmark report for lawyer rates.**

Our Real Rate Report has been a relied upon data analytics resource to the legal industry since its inception in 2010 and continues to evolve. The Real Rate Report is powered by Wolters Kluwer's ELM Solutions LegalVIEW® data warehouse, the world's largest source of legal performance benchmark data, which has grown to include over \$150 billion in anonymized legal data.

This year, we launched our LegalVIEW Insights Report series, which explores the emerging trends behind the overall legal spend volatility seen in corporate legal departments. The insights reports coupled with the Real Rate Report are great tools to drive actionable decisions.

The legal services industry relies on internal analytics and the use of external data resources, such as the LegalVIEW® data warehouse, to support legal management strategies. The depth and details of the data in the Real Rate Report enable you to better benchmark and make more informed investment and resourcing decisions for your organization.

As with past Real Rate Reports, all of the data analyzed are from corporations' and law firms' e-billing and time management solutions. We have included lawyer and paralegal rate data filtered by specific practice and sub-practice areas, metropolitan areas, and types of matters to give legal departments and law firms greater ability to pinpoint areas of opportunity. We strive to make the Real Rate Report a valuable and actionable reference tool for legal departments and law firms.

As always, we welcome your comments and suggestions on what information would make this publication more valuable to you. We thank our data contributors for participating in this program. And we thank you for making Wolters Kluwer's ELM Solutions your trusted partner for legal industry domain expertise, data, and analytics and look forward to continuing to provide market-leading, expert solutions that deliver the best business outcomes for collaboration among legal departments and law firms.

Sincerely,



**Barry Ader**

Vice President, Product Management and Marketing  
Wolters Kluwer's ELM Solutions

## Report Use Considerations

### 2021 Real Rate Report

- Examines law firm rates over time
- Identifies rates by location, experience, firm size, areas of expertise, industry, and timekeeper role (i.e., partner, associate, and paralegal)
- Itemizes variables that drive rates up or down

All the analyses included in the report derive from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment.

Examining real, approved rate information, along with the ranges of those rates and their changes over time, highlights the role these variables play in driving aggregate legal cost and income. The analyses can energize questions for both corporate clients and law firm principals.

Clients might ask whether they are paying the right amount for different types of legal services, while law firm principals might ask whether they are charging the right amount for legal services and whether to modify their pricing approach.

### Some key factors<sup>1</sup> that drive rates<sup>2</sup>:

**Attorney location** - Lawyers in urban and major metropolitan areas tend to charge more when compared with lawyers in rural areas or small towns.

**Litigation complexity** - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors like the lawyer's level of experience).

**Years of experience and reputation** - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural issues.

**Overhead** - The costs associated with the firm's support network (paralegals, clerks, and assistants), document preparation, consultants, research, and other expenses.

**Firm size** - The rates can increase if the firm is large and has various timekeeper roles at the firm. For example, the cost to work with an associate or partner at a larger firm will be higher compared to a firm that has one to two associates and a paralegal.

### Rates increase in geographic areas with growing population

Additional analysis was performed to examine the impact of geographic location on law firm hourly rates. This report, like previous ones, shows that large, cosmopolitan legal services markets like New York City, San Francisco, and Los Angeles are associated with higher hourly rates. In addition, our analysis reveals a significant spike in hourly rates in areas of the country

<sup>1</sup> David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from: <https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html>

<sup>2</sup> Source: 2018 RRR. Factor order validated in multiple analyses since 2010

## Report Use Considerations

that are currently experiencing high population growth. Significant average rate increases occurred from 2020 to 2021 in many areas, but especially Fresno, California (~15% average rate increase), Greenville, SC (~18%), Miami, FL (~9%), Nashville, TN (~11%), Oklahoma City (~13%), Phoenix, AZ (~10%), and Seattle, WA (~11%) -- all of which have experienced much higher than average population growth in recent years.

The correlation between hourly rates and population growth makes sense. When people and businesses move into an area, it creates a spike in demand for all sorts of goods and services, including legal services. However, it is hard for the supply of legal services to move as quickly as demand because attorneys looking to move into a new geographic area face high switching costs that most will refuse to pay unless they absolutely have to.

First, attorneys looking to take work in a new state have to get licensed there, which takes time and effort and is a distraction that can reduce their current income in the form of the number of hours they are able to bill to clients. Second, despite the rise in remote working, many attorneys looking to establish practices in a new geographic location may have to establish at least some physical presence there, find a new office, new lodging, and potentially uproot their entire family. Third, even if the switching costs of licensure, physically moving, etc. are paid, attorneys may fear yet another switching cost in the form of attrition of their existing clients from their original geographic locale, who may view them as no longer investing in their knowledge of the legal problems and legal solutions that are specific to the original locale.

<sup>3</sup> Source: 2020 RRR. Factor order validated in multiple analyses since 2010

## Section I: High-Level Data Cuts

### Cities

By Matter Type

#### 2021 - Real Rates for Associate and Partner

#### Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2021	2020	2019
San Diego CA	Litigation	Associate	19	\$150	\$175	\$325	\$254	\$257	\$268
		Partner	96	\$325	\$523	\$1,019	\$670	\$660	\$655
	Non-Litigation	Associate	60	\$226	\$325	\$516	\$395	\$343	\$354
		Partner	150	\$392	\$663	\$961	\$704	\$703	\$667
San Francisco CA	Litigation	Associate	108	\$314	\$415	\$628	\$486	\$471	\$451
		Partner	223	\$468	\$669	\$942	\$730	\$753	\$721
	Non-Litigation	Associate	145	\$345	\$465	\$730	\$539	\$536	\$485
		Partner	40	\$600	\$867	\$1,056	\$876	\$880	\$796
San Jose CA	Litigation	Associate	27	\$435	\$550	\$745	\$587	\$542	\$471
		Partner	61	\$618	\$795	\$1,165	\$918	\$910	\$803
	Non-Litigation	Associate	38	\$370	\$515	\$865	\$622	\$575	\$570
		Partner	13	\$215	\$250	\$294	\$260	\$262	\$260
San Juan PR	Non-Litigation	Partner	13	\$215	\$250	\$294	\$260	\$262	\$260
Seattle WA	Litigation	Partner	91	\$436	\$535	\$741	\$596	\$506	\$498
		Associate	67	\$370	\$507	\$535	\$476	\$410	\$405
	Non-Litigation	Partner	150	\$406	\$505	\$697	\$547	\$553	\$523
		Associate	117	\$300	\$366	\$504	\$411	\$389	\$381
		Partner	150	\$406	\$505	\$697	\$547	\$553	\$523



## Section I: High-Level Data Cuts

### Cities

By Years of Experience

#### 2021 - Real Rates for Partner

#### Trend Analysis - Mean

City	Years of Experience	n	First Quartile	Median	Third Quartile	2021	2020	2019
Portland OR	21 or More Years	44	\$455	\$505	\$585	\$531	\$500	\$466
	Fewer Than 21 Years	15	\$300	\$378	\$455	\$397	\$427	\$408
Raleigh NC	21 or More Years	24	\$275	\$480	\$571	\$452	\$485	\$466
	Fewer Than 21 Years	32	\$610	\$684	\$724	\$638	\$618	\$580
Richmond VA	21 or More Years	36	\$420	\$665	\$805	\$655	\$635	\$625
	Fewer Than 21 Years	20	\$274	\$342	\$432	\$349	\$347	\$381
Salt Lake City UT	21 or More Years	24	\$333	\$393	\$462	\$409	\$378	\$378
	Fewer Than 21 Years	27	\$395	\$540	\$945	\$663	\$552	\$507
San Diego CA	21 or More Years	64	\$357	\$563	\$1,175	\$747	\$701	\$657
	Fewer Than 21 Years	80	\$480	\$705	\$950	\$752	\$718	\$681
San Francisco CA	21 or More Years	158	\$535	\$694	\$960	\$757	\$778	\$737
	Fewer Than 21 Years	18	\$707	\$955	\$1,201	\$979	\$915	\$799
San Jose CA	21 or More Years	56	\$600	\$819	\$1,153	\$915	\$918	\$841
	Fewer Than 21 Years	66	\$402	\$471	\$634	\$511	\$454	\$446
Seattle WA	21 or More Years	90	\$467	\$571	\$698	\$583	\$573	\$547